

Message Text

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PAGE 01 NIAMEY 03537 221543Z

51

ACTION AF-07

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FM AMEMBASSY NIAMEY

TO SECSTATE WASHDC IMMEDIATE 9138

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DEPARTMENT FOR AF

AID FOR AA/AFR DR. SAMUEL ADAMS

E.O. 11652: N/A

TAGS: EAID NG DM NI

SUBJECT: MALANVILLE BRIDGE/GAYA PORT LOAN 625-H-005

REF: A. STATE 219193; B. NIAMEY 3210 C. NIAMEY 3536

SUMMARY: WE STRONGLY RECOMMEND THAT WE NOT RPT NOT DEOBLIGATE GAYA BRIDGE FUNDS FOR REASONS DETAILED BELOW RELATING TO NIGER'S DEVELOPMENT AND US INTERESTS IN THIS COUNTRY'S RECOVERY. WE ALSO RECOMMEND PROJECT BE PART OF ADMINISTRATOR PARKER'S BRIEFING FOR NIAMEY NEXT WEEK, AS MATTER EXPECTED TO BE RAISED BY GON. END SUMMARY.

1. WE HAVE REFRAINED FROM COMMENTING ON OVERALL IMPLICATIONS OF OPTIONS WE FACE AS SET FORTH IN EXCELLENT ANALYSIS IN REFTTEL REGARDING GAYA BRIDGE, UNTIL RETURNS WERE IN FROM ABIDJAN AND ELSEWHERE. MEANWHILE, WE HAVE TAKEN ANOTHER LOOK AT PROJECT INCLUDING REVIEW OF FILES WHICH GO BACK NUMBER OF YEARS AND WHICH NOW ARE THICK AS NIGER RIVER IS
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PAGE 02 NIAMEY 03537 221543Z

DEEP AFTER RAINY SEASON. ON BASIS THIS REVIEW, WE DO

NOT RPT NOT AGREE THAT FATE OF PROJECT SHOULD HINGE ON NEW AND QUICK READING OF ITS ECONOMIC AND TECHNICAL FEASIBILITY. THIS CONSIDERATION PRESUMABLY ALREADY RESOLVED IN FAVOR OF PROJECT OR IT WOULD NOT HAVE BEEN ON BOOKS SO LONG. WITH CANADIANS MORE ACTIVELY IN PICTURE, PROJECT'S ECONOMIC VIABILITY IS PRESUMABLY ENHANCED. ISSUE, AS WE UNDERSTAND IT, IS QUESTION OF "DIFFICULT CPS". WE BELIEVE CP INVOLVING DAHOMEAN COOPERATION AS PRESENTLY DRAFTED UNNECESSARY FOR SUCCESS OF PROJECT, UNREALISTIC IN THIS ENVIRONMENT AND UNATTAINABLE.

2. ACCORDINGLY, WE STRONGLY FAVOR SECOND OPTION AS DESCRIBED REF A AND RECOMMEND TO DEPARTMENT AND AID THAT LOAN NOT REPEAT NOT BE DEOBLIGATED. AS THINGS USUALLY WORK OUT, TO DEOBLIGATE NOW, AND THEN RECONSIDER NEW AUTHORIZATION OF LOAN IN FUTURE SHOULD CANADIANS MOVE AHEAD FURTHER WITH THEIR INVESTMENT IS COURSE OF ACTION WHICH MOST LIKELY WILL BURY WHOLE AFFAIR. WE DO NOT THINK THIS IN US INTERESTS NOR CONSISTENT WITH OUR EFFORTS HELP NIGER RECOVER FROM DROUGHT.

B) WE RECOGNIZE PROBLEMS INVOLVED IN EXTENDING LOAN SEVERAL YEARS IN THE WORKS BUT BELIEVE THERE ARE COMPELLING POLITICAL AND ECONOMIC FACTORS IN FAVOR OF PROJECT. SOME OF POINTS TO TAKE INTO ACCOUNT IN WEIGHING MERIT OF PROJECT INCLUDE:

A. GON INTEREST IN PROJECT: THERE IS NO QUESTIONS THAT BOTH PREVIOUS AND NEW GON REGIMES ATTACH TREMENDOUS IMPORTANCE TO NIGER RIVER TRANSPORTATION SYSTEM AND OUTLET TO SEA. OUR FILES ARE FULL OF RECORDS OF MEETINGS WITH EX-PRESIDENT DIORI WHO LOOKED UPON PROJECT AS SIGNIFICANT BREAK-THROUGH IN PREVIOUS INEXORABLE GEOGRAPHIC ISOLATION. NEW REGIME HAS BEEN EQUALLY STEADFAST; MOST RECENT EXPRESSION OF THIS INTEREST BEING FONMIN DJERMAKOYE'S DISCUSSION OF MATTER IN WASHINGTON WITH DR. ADAMS. GON VIEWS PROJECT AS WELCOME COMBINATION OF NORTH AMERICAN AND AFRICAN EFFORT WITHOUT RECOURSE TO FRENCH ON WHOM NIGER WAS FOR LONG EXCLUSIVELY DEPENDENT.

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PAGE 03 NIAMEY 03537 221543Z

B. CANADIAN SUPPORT FOR PROJECT: CANADIAN ROLE HAS BEEN PRACTICAL, PSYCHOLOGICALLY HELPFUL TO AFRICANS AND ENTHUSIASTIC. WORTH NOTING IN THIS CONNECTION THAT DEGREE OF CANADIAN ENTHUSIASM FOR PROJECT APPEARS TO BE IN DIRECT RATION TO GEOGRAPHIC PROXIMITY. CANADIANS IN NIGER FAVOR PROJECT WHILE CANADIANS IN ABIDJAN SEEM TO BE MORE RESERVED. THIS MAY EXPLAIN WHAT APPEARS TO BE CONFLICTING CANADIAN ASSESSMENTS.

C) REGIONAL COOPERATION: PROJECT IS CONSISTENT WITH STRONG US SUPPORT OF CONCEPT OF REGIONAL ECONOMIC COOPERATION IN WEST AFRICA (SEE PARAR 2, STATE 229897) AND ESPECIALLY ONE LINKING KEY ANGLOPHONE COUNTRY WITH ONE OF ITS FRANCOPHONE NEIGHBORS.

D) FRENCH ATTITUDES: ACCORDING TO RECORDS, FRENCH HAVE BEEN LESYATHAN HELPFUL BOTH HERE AND APPARENTLY IN DAHOMEY. THERE IS SOME EVIDENCE IN FILES TO SUGGEST THAT FRENCH MAY HAVE CONTRIBUTED TO DIFFICULTIES WE ARE HAVING IN GETTING DAHOMEAN AGREEMENT. WE SHOULD NOT LET THIS DETER US.

E) IMPONDERABLES: THERE ARE IMPORTANT IMPONDERABLES TO CONSIDER SUCH AS NIGER'S DRIVE TO RELIEVE ITSELF OF ITS LANDLOCKED STATUS, PROSPECTS FOR INCREASED URANIUM EXPORTS AS U.S. AND OTHER COMPANIES GET INTO THIS BUSINESS, POSSIBILITIES OF A DEVELOPING COMMERCIAL OIL AND MINERAL BUSINESS, THE VIABILITY OF WHICH WILL DEPEND IMPORTANTLY ON CHEAPER TRANSPORT OUTLETS. ONE OIL COMPANY HAS TOLD US IT HAS PAID FORTUNE TO TRANSPORT OIL RIG EQUIPMENT HERE FROM COASE AND WOULD HAVE MUCH PREFERRED WATER TRANSPORT. AT THIS STAGE NONE OF THESE CONSIDERATIONS LEND THEMSELVES TO COST-BENEFIT RATIO STUDIES. ALL SUCH PROJECTS INVOLVE ELEMENT OF FAITH AND VISION OF FUTURE ON WHICH NIGER PINNING ITS HOPES. WE DO NOT BELIEVE THAT AT TIME WHEN NIGER IS HOPEFULLY RECOVERING FROM DEVASTATING DROUGHT ONE SHOULD WALK AWAY FROM PROJECT WHICH GIVES THIS WRETCHEDLY POOR COUNTRY (AND MSA TO BOOT) PROSPECT OF FUTURE GROWTH.

F) US COMMITMENT: WE HAVE BEEN DISCUSSING THIS PROJECT LIMITED OFFICIAL USE

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PAGE 04 NIAMEY 03537 221543Z

WITH GON FOR SEVERAL YEARS. ON UNDERSTANDING THAT DAHOMEAN CP WAS MAJOR ISSUE HOLDING UP OBLIGATION FUNDS, WE HAVE IN LAST THREE MONTHS RAISED MATTER WITH GON EIGHT TIMES -- TWICE WITH PRESIDENT KOUNTCHE AND THREE TIMES WITH FOREIGN OFFICE AND THREE TIMES WITH OTHER MINISTRIES. IT IS CLEAR WE ARE INSISTING ON THE UNOBTAINABLE. PRUDENT DIPLOMACY SUGGESTS WE REVISE OUR TERMS TO RECOGNIZE THE POSSIBLE, GIVEN ALL OTHER REASONS FAVORING THE PROJECT. IF WE DEOBLIGATE NOW BECAUSE OF FAILURE TO GET CPS AS WE WANT THEM, WE NOT ONLY RISK INTRODUCING CONTENTIOUS ISSUE BETWEEN NIGER AND MRGD, WE ALSO WIPE OFF THE BOOKS THE ONLY CAPITAL PROJECT WE HAVE WITH NIGER AND THIS AT TIME WHEN WE ARE ENERGETICALLY SEEKING TO DESIGN MEDIUM AND LONG TERM RECOVERY PROJECTS. IN CONTEXT

OF OUR EFFORTS TO HELP NIGER RECOVER FROM DROUGHT,
WE QUESTION WHETHER IT IS WISE TO US INTERESTS TO CUT
BACK ANOTHER MAJOR PROJECT AT THIS PARTICULAR TIME.

4. WE SHOULD ALSO NOTE WE HAVE NEVER OFFICIALLY INFORMED
GON OF OUR DECISION TO REVERSE OURSELVES ON FADA N'GOURMA
RAOD PROJECT. IF OUR DECISION FINAL, WE SHOULD
SO INFORM GON FIRST.

5. ISSUE BEFORE US AT PRESENT SEEMS TO BE HOW WE BREAK
OUT OF SELF-DEFEATING MORASS OF REGIONAL CROSS-CURRENTS,
PROLIFERATING REPORTS, BIASED VIEWPOINTS AND BUREAUCRATIC
PROCRASTINATION AROUND HERE AND GET ON WITH PRACTICAL
BUSINESS OF DEVELOPING NIGER RIVER TRANSPORTATION
SYSTEM. WE STRONGLY BELIEVE WE SHOULD NOT DISASSOCIATE
OURSELVES AT THIS TIME WHEN THINGS MAY BE TURNING AROUND
FOR GON.

6. WE URGE ACCEPTING SPIRIT OF THESE DIFFICULT CPS
AND MAKING DISBURSEMENT OF LOAN BY NOVEMBER 15. WE ALSO
URGE PROJECT BE PART OF ADMINISTRATOR PARKER'S BRIEFING
FOR NIAMEY VISIT NEXT WEEK. IT IS BOUND TO COME UP IN
DISCUSSIONS WITH GON.HECK

NOTE BY OC/T: NIAMEY 3537; #APPARENT OMISSION PARA. A).
CORRECTION/CLARIFICATION TO FOLLOW.LIMITED OFFICIAL USE
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PAGE 05 NIAMEY 03537 221543Z

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